

THE ATLANTIC REFINING COMPANY

PETROLEUM PRODUCTS

DALLAS, TEXAS

September 15, 1959

ADDRESS REPLY TO:
P. O. BOX 520
CASPER, WYOMING

DOMESTIC PRODUCING DEPARTMENT

Mr. Dan Nutter
New Mexico Oil Conservation Commission
107 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Dear Mr. Nutter:

I noticed from Nancy Royal's "Statehouse Reporting Service" that some 23 cases are scheduled to be heard at the Examiner Hearing on September 30, 1959. As you know, Atlantic will put on Case No. 1760 to seek authority to produce more than 16 wells into a common tank battery and for permission to install LACT on our Navajo "B" battery in Horseshoe-Gallup Field.

I would appreciate it very much if our Case No. 1760 could be scheduled near the start of the hearing. We are having our Fall Budget and Exploration Conference on Thursday, October 1, 1959, and I would like very much to be back in Casper to attend the meeting. Your consideration of this request will be greatly appreciated.

Yours very truly,

THE ATLANTIC REFINING CO.

T. O. Davis

T. O. Davis
Regional Petroleum Engineer

TOD:lp

EL PASO NATURAL GAS PRODUCTS COMPANY
El Paso, Texas

Address Reply to
P. O. Box 1565
Farmington, New Mexico

August 26, 1959

The Atlantic Refining Company
P. O. Box 520
Casper, Wyoming

Attn: Mr. T. O. Davis, Regional Petroleum Engineer

Dear Mr. Davis:

In accordance with my telephone call of August 21, permission is hereby given for installation of an LACT unit on your Navajo B lease in the Horse-shoe Gallup field.

This letter will serve as your written authority for installation of the LACT unit.

Yours truly,

Signed by Lindon A. Fleming

Lindon A. Fleming
Pipeline Superintendent
San Juan Division

LAF:jmj

lp

EXHIBIT H

CASE NO. 1760

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

P.O. Box 6721
Roswell, New Mexico

August 20, 1959

The Atlantic Refining Company
P. O. Box 520
Casper, Wyoming

Attention: Mr. T. O. Davis

Gentlemen:

By letter dated August 14, you requested our approval of the use of an automatic custody transfer unit and a test station in connection with the operation of your Navajo "B" lease No. 14-20-600-3531 Horseshoe Gallup Field, San Juan County, New Mexico. Plats attached to the letter show the lease boundaries and wells involved and also show schematic drawings of the automatic custody transfer unit and the well testing equipment.

The installation and use of the automatic custody transfer unit and test station, as described in your letter, are hereby approved.

Very truly yours,

Signed by John A. Anderson

JOHN A. ANDERSON
Regional Oil and Gas
Supervisor

EXHIBIT G

CASE NO. 1760

lp

J. M. HERVEY 1874-1953

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.

PAUL W. EATON, JR.
ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

August 18, 1959

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

We are enclosing herewith three copies of the Application of The Atlantic Refining Company for an exception to Rule 309(a) and for the installation of an automatic custody transfer system and equipment, both in connection with Atlantic's Navajo "B" Lease located in the Horseshoe-Gallup Field in San Juan County, New Mexico.

It is respectfully requested that this Application be set for an examiner hearing at the first available date.

Respectfully,

HERVEY, DOW & HINKLE

By



SBC:jy
Encls.

cc: Mr. T. O. Davis, The Atlantic Refining Company, Casper, Wyo.
cc: Mr. A. B. Tanco, The Atlantic Refining Company, Dallas, Texas

Handwritten notes:
Hinkley
9-15-59

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC REFINING COMPANY
FOR AUTHORITY TO PRODUCE MORE THAN SIXTEEN
WELLS INTO A COMMON TANK BATTERY, AND TO
INSTALL AUTOMATIC CUSTODY TRANSFER EQUIPMENT
IN CONNECTION WITH SUCH PRODUCTION, WITHIN
THE EXTERIOR BOUNDARIES OF THE HORSESHOE-
GALLUP FIELD IN SAN JUAN COUNTY, NEW MEXICO.

Case No. 1760

COMES NOW the Applicant, The Atlantic Refining Company, whose
address is Dallas, Texas, and states:

1. That the Applicant is the Operator of an Oil and Gas
Lease issued by the Chairman, Navajo Tribal Council, embracing the
following described land situated in San Juan County, New Mexico,
to-wit:

Township 31 North, Range 16 West, N.M.P.M.

Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 16: All within the Navajo
Indian Reservation
Section 21: All within the Navajo
Indian Reservation

2. As an exception to Rule 309(a) of the Commission Rules,
Applicant requests authority to transport oil produced from the Gallup
formation by all wells drilled and to be drilled on the above lease
and lands, prior to such oil having been received and measured in
tanks receiving sixteen or less proration units. Applicant believes
and states that adequate tankage and other equipment can be installed
so that production from all wells drilled and to be drilled on the
above lease and lands can be accurately determined at reasonable
intervals without separately measuring such oil and receiving the
same into common tankage for production from sixteen or less proration
units. Appropriate lines will be laid from each well into a central

gathering system, and a plat thereof will be submitted at the hearing upon this application.

3. Applicant further requests the approval of the installation of an automatic custody transfer system and equipment to be installed on the above lease and lands for the purpose of receiving, treating, measuring and marketing oil produced from the Gallup formation under the above lease and lands. Applicant states that similar automatic custody transfer systems and equipments have heretofore been approved by the Commission, and a diagramatic sketch of the proposed installation will be presented at the hearing upon this application. Applicant believes and states that the granting of permission to install such automatic custody transfer system and equipment will neither cause waste nor impair correlative rights, and that such system and equipment contains adequate testing and measuring equipment, and will in all things be in the interest of conservation. Applicant offers to comply with all reasonable rules of the Commission relating to the testing, storage and metering of the facilities requested to be approved in this application, and to file all required reports in connection therewith.

Applicant therefore respectfully requests that this application be set before an examiner hearing at Santa Fe, New Mexico, and that upon such hearing that Applicant be granted authority to:

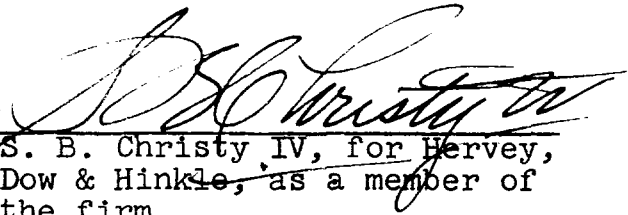
1. To transport all oil produced and to be produced from the Gallup formation under the above lease and lands into a central gathering system as an exception to Rule 309(a) of the Commission Rules; and,

2. To install an automatic custody transfer system and equipment for the receipt, treatment, measurement and marketing of all oil produced from the Gallup formation under the above lease and lands.

DATED this 18th day of August, 1959.

THE ATLANTIC REFINING COMPANY

By


S. B. Christy IV, for Hervey,
Dow & Hinkle, as a member of
the firm,
Box 547, Roswell, New Mexico
Attorneys for the Applicant